



Virginia Information Technologies Agency

# VITA Update

**Sam A. Nixon Jr.**

Chief Information Officer of the Commonwealth

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**Senate Finance Committee,  
General Government Subcommittee**

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## 2013 Accomplishments

- Met all FY 2013 financial targets, including 3<sup>rd</sup> payment toward line of credit
- Technology and Performance
  - 100% SLAs met, 13.3K PCs refreshed, 19K phones, 92% solid state backup, security, and more
- Adopted new statewide standards and completed work on major enterprise solution projects
  - Enterprise Information Architecture (EIA)
  - Electronic Data Management (EDM)
  - Service Oriented Architecture (SOA)
- Re-engineered eGov outsourcing model
  - Re-design of Virginia.gov
- Received numerous national awards (ITP, Security, eGOV, others)



# CoVA IT Infrastructure

## Computers

59,374 PCs  
3,356 servers

## Mailboxes

58,948 accounts

## Data storage

1.5 petabytes

## Mainframes (2)

IBM

Unisys

## Communications

55,000 desk phones  
6,100 handhelds (PDAs)  
11,000 cell phones

## Networks

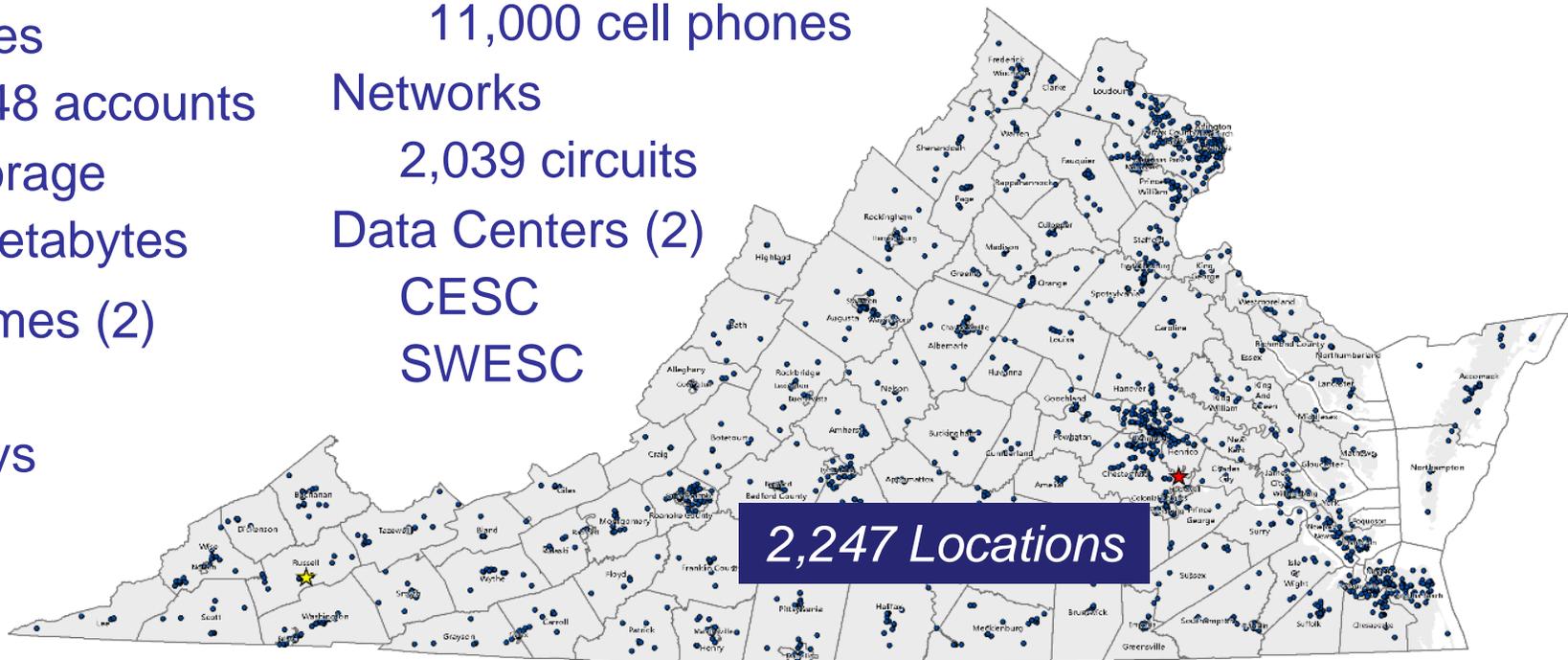
2,039 circuits

## Data Centers (2)

CESC  
SWESC

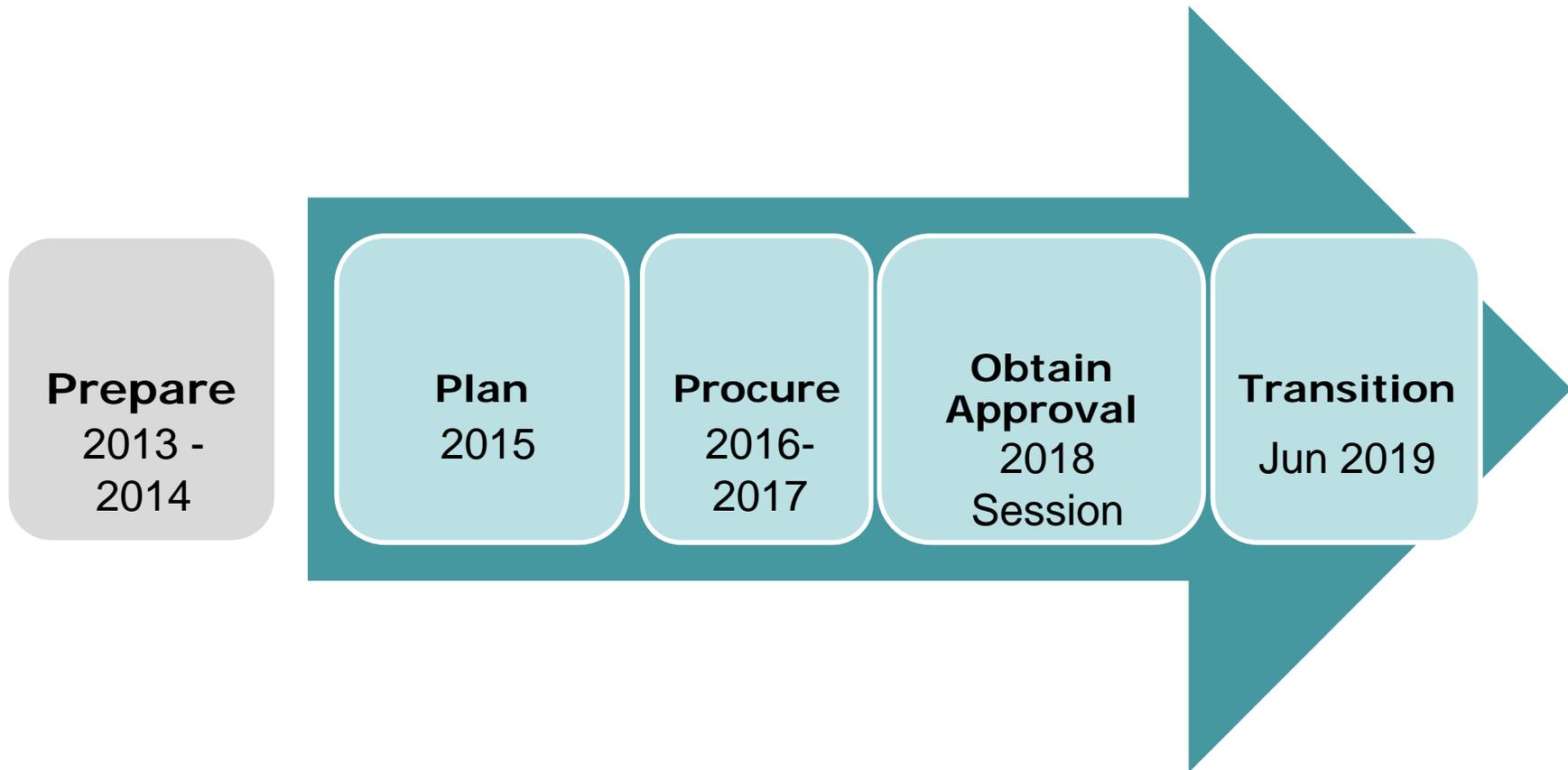
## Printers

5,311 network  
22,000 desktop





# Prospective Timeline for NG contract



Note: Calendar Years



## Assessment of NG Contract

- 13-year term expires on July 1, 2019
- Focus since 2005 has been tactical:
  - Finish “transformation” of 89 agencies
  - Improve overall performance, better alignment to Commonwealth strategic goals
- VITA requires additional resources to maintain operations & address new goals
- Potential directions when term ends
  - In-sourcing, out-sourcing, multi-sourcing, or partial in-sourcing



## Transformation Must Be Completed

- VEC is partly complete, but timeframe & cost to complete are unknown
  - Extensive parallel efforts on UI project
- VDEM projected to complete next year
  - Unique high availability requirements
  - One time cost of about \$800k
- VSP has some new equipment, but no agreement to begin transformation
  - Solution must comply with VSP & FBI rules
  - Incremental cost: \$1.8M, plus \$1.6M recurring



## Transformation Must Be Completed

- Continued operational & security risk elevated until transformation finishes
- Data breach or outage could impact Commonwealth finances & public safety
  - 2012 S.C. & Utah data breaches cost \$20M and \$2-10M
- Agencies pay contractual “legacy” fees until transformation is completed
  - Higher cost to support out-dated equipment



## Policy Decision: Contract Term

- Term expires on July 1, 2019, but can be extended by 180 days
  - Decision must be made by Sept. 30, 2018
- Disentanglement begins 9 months before term ends, & length may vary
  - NG activities “to accomplish a complete, timely, and seamless transition”
  - May take up to two years (March 2021)
- Contract continues until disentanglement is complete



## Policy Decision: Data Center

- Will Commonwealth want a dedicated state data center, located in Virginia?
  - Other states use multi-tenant and/or out-of-state data centers, potentially lowering costs
  - Use of in-state center ensures Virginia laws apply & supports economic development
- Use of public “cloud” services may lower costs, but may add complexity & hinder security of data
  - NG already provides private cloud to CoVA



## Will State Have Funds to Buy Assets?

- Outsourcing chosen in 2005 because state lacked capital
  - NG provided capital, which state is repaying
  - Cost to end contract early reflects this (\$318M in FY 2014)
- Will funding exist to buy Chester data center & other IT assets?
  - 2013 assessed value of Chester facility is \$38M
  - Contract stipulates at least \$47M cost for certain assets (mainframes, servers, PCs)



## Policy Decision: IT Staff

- More than 550 state IT staff became NG employees in 2006
  - NG now has 580 staff & contractors
- State may offer to hire NG staff & subcontractors
  - Offers must be made from Oct 2018 - Sept 2019
- In-sourcing will require substantial hiring
  - At least \$24M-\$48M plus benefits



## Decisions Needed by End of CY 2015

- Prerequisite activities must be completed during McAuliffe Administration
  - Will require direction from policymakers by end of CY 2015 before next steps begin
  - Consulting support will be critical
  - Current VITA staffing cannot support ongoing operations & also new planning/procurement
- Options will also be affected by changes in provision & management of IT
  - Mobile computing, new contractual models, etc



## Benchmarking of NG Fees

- NG performed market analysis at VITA's request
- Additional steps may be needed to ensure market competitiveness of fees paid to NG
  - Lengthy contract term hinders ability to use marketplace to ensure price competitiveness
- VITA will work with Secretary of Technology to determine next steps
  - Use of consultants will require additional resources



## Challenges, Look-ahead

- Lingering resistance to shared services approach
  - IT as a fully-managed service, not just hardware
  - Agency perceptions on cost recovery
- IT Security
- Evolution of NG relationship
  - Technology innovation
  - Continuous change to NG contract
- Aging “legacy” applications
- VITA organization
  - Insufficient oversight authority
  - Aging workforce



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## Questions?

**Samuel A. Nixon Jr.**

sam.nixon@vita.virginia.gov

(804) 416-6004